1 2 3 4 5 6 7 8 9 110	QUINN EMANUEL URQUHART & SULLIVA Claude M. Stern (Bar No. 96737) claudestern@quinnemanuel.com Mark Gray (Bar No. 305251) markgray@quinnemanuel.com 555 Twin Dolphin Drive, 5th Floor Redwood Shores, California 94065-2139 Telephone: (650) 801-5000 Facsimile: (650) 801-5100 QUINN EMANUEL URQUHART & SULLIVA Jocelyn W. Lee (NY Registration No. 4919783) jocelynlee@quinnemanuel.com (pro hac vice ap 51 Madison Avenue, 22nd Floor New York, New York 10010-1603 Telephone: (212) 849-7000 Facsimile: (212) 849-7100 Attorneys for Plaintiff TIBCO Software Inc.	N, LLP
11		DISTRICT COURT
12		CT OF CALIFORNIA
13	NORTHERN DISTRI	CT OF CALIFORNIA
14 15 16 17 18 19 20 21 22 23 24 25	TIBCO SOFTWARE INC., a Delaware corporation, Plaintiff, vs. KAAZING CORPORATION, a Delaware corporation Defendant.	CASE NO COMPLAINT FOR: 1) LANHAM ACT FALSE ADVERTISING 2) BREACH OF CONTRACT 3) SPECIFIC PERFORMANCE 4) BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING 5) INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE 6) UNFAIR COMPETITION 7) TRADE LIBEL JURY TRIAL DEMANDED PUBLIC REDACTED VERSION Trial Date: None Set
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		Case No

Plaintiff TIBCO Software Inc. ("TIBCO"), by and through its attorneys of record, asserts 1 this Civil Complaint against Defendant Kaazing Corporation ("Kaazing"). 2 3 NATURE OF THE ACTION 1. This is an action for Lanham Act False Advertising, breach of contract, specific 4 5 performance, breach of the covenant of good faith and fair dealing, intentional interference with prospective economic advantage, unfair competition, and trade libel arising from Defendant's 6 7 failure to honor its contractual obligations to Plaintiff TIBCO and Defendant's knowing 8 interference with TIBCO's customers. 9 THE PARTIES 2. 10 Plaintiff TIBCO is a Delaware corporation authorized to do business and doing business in California, with its principal place of business at 3303 Hillview Avenue in Palo Alto, 11 12 Santa Clara County, California. 13 3. On information and belief, Defendant Kaazing is a Delaware corporation with its 14 principal place of business at 6001 America Center Drive, Suite 250 in San Jose, Santa Clara County, California. 15 16 JURISDICTION AND VENUE 4. 17 This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331, 1338, as 18 this matter presents a federal question arising under the Lanham Act, 15 U.S.C. §§ 1121, 1125, as 19 well as claims of unfair competition which are substantially related to the Lanham Act. 5. 20 This Court also has jurisdiction over this matter pursuant to 28 U.S.C. § 1367, as 21 the remaining claims asserted here form part of the same case or controversy as that arising under 22 the Lanham Act. 23 6. Venue is proper in this Court. The causes of action asserted in this Complaint arise 24 from transactions conducted in Northern California and 25 26 27 28

TIBCO COMPLAINT AGAINST KAAZING

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A. TIBCO Software

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FACTS

- 7. Founded in 1997, TIBCO is a leading enterprise software company that provides numerous products to businesses for software integration, data analytics, and high-speed digital communication. TIBCO's services help businesses obtain efficiencies by helping them move information more quickly and analyze data to gain insights into new business opportunities and trends. TIBCO's customers include large entities such as airlines, computer companies, and over half of the top global banks. In part because of the value of its technology and business expertise, TIBCO was acquired for \$4.3 billion in late 2014.
- 8. TIBCO has been recognized as a leader within the enterprise software industry. In October 2016, the IT research and advisory firm Gartner named TIBCO as a "Leader" and "Visionary" for Full Life Cycle API Management for the third time, based on TIBCO's completeness of vision within the industry and its ability to execute on that vision. TIBCO was also awarded the Data Impact Award for Advanced Analytics in 2014 on the strength of its analytics technology.
- 9. One of TIBCO's offerings is TIBCO Web Messaging. Launched in 2011, TIBCO Web Messaging enables real-time, two-way web communication to help businesses communicate faster with their customers. TIBCO Web Messaging allows information to be sent automatically to a variety of client applications, such as smart phones, tablets and browsers with exceptional levels of scalability, security, and availability and allows businesses to connect with business data more efficiently and in a more cost-effective manner across the web. TIBCO partnered with Kaazing in releasing TIBCO Web Messaging, which incorporates Kaazing technology pursuant to a contract between TIBCO and Kaazing and which is offered by Kaazing as Kaazing WebSocket Gateway. In the release announcement, Kaazing Vice President Manuel Hoffmann expressed excitement to work with such "an industry leader in high performance messaging middleware."

B. Kaazing

10. Kaazing is a software company founded in 2007 that provides a commercial implementation of the internet "WebSocket" standard, a technology protocol that enables real-time

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1	communication between computers through an internet browser. Upon information and belief, to
2	date, Kaazing has raised roughly \$39 million in funding from investors.
3	11. Upon information and belief, Kaazing's business is centered around its
4	implementation of WebSocket. One of Kaazing's products, the "Kaazing WebSocket Gateway"
5	("KWG"), is available as an open-source "Community Edition" for free, or in an "Enterprise
6	Edition" with some additional features and support.
7	C. Software License Agreement with Kaazing
8	12. On or about TIBCO and Kaazing entered into a Software License
9	Agreement ("SLA" or "Agreement"), attached as Exhibit A. The SLA is incorporated into this
10	Complaint by reference. TIBCO and Kaazing also entered into a series of amendments that
11	amended various sections and exhibits of the SLA, attached as Exhibit B.
12	13. In the SLA, Kaazing grants TIBCO a
13	and allows TIBCO to
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15	SLA §
16	2(a). The SLA also requires Kaazing to
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18	SLA §§
19	1, 5(a), see also SLA § 3(c)
20	. The SLA also requires that
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23	SLA § 2(d)(i).
24	14. The SLA also provides for TIBCO
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27	SLA § 1.
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3	15.	The SLA became effective on and
4	SL	A § 11(a).
5	16.	Kaazing and TIBCO signed Amendment Number Thirteen to the SLA, effective
6		, which added a clause to the SLA that
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10		SLA Amen. No. 13.
11	D.	Kaazing's Breaches of Contract and Attempts to Usurp TIBCO's Business
12	17.	Kaazing has a long history of breaching its business and contractual obligations to
13	TIBCO as w	ell as interfering with TIBCO's business relationships.
14	18.	For example, in August 2014, Kaazing disclosed highly confidential trade secret
15	information	of a major TIBCO customer by publishing the customer's trade secrets in marketing
16	materials on	Kaazing's website. This action resulted in the customer threatening to cease
17	conducting b	ousiness with TIBCO.
18	19.	In March 2015, Kaazing posted a video on a public website that identified several
19	of TIBCO's	customers as users of the Licensed Product, without first obtaining permission from
20	TIBCO or th	e customers to publish such confidential information.
21	20.	On or about February to March 2015, TIBCO discovered that Kaazing
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24	_	
25		SLA § 2(d)(i).
26	21.	When TIBCO demanded that Kaazing
27		Kaazing required that TIBCO first agree to new terms
28	concerning	. When TIBCO declined
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1	to re-negotiate the terms, Kaazing refused to confirm it would In April	
2	2015, only after TIBCO's outside counsel sent a demand letter and draft complaint for specific	
3	performance of Section 2(d) of the SLA did Kaazing finally	
4		
5	22. In March 2016, TIBCO again discovered that Kaazing had not	
6	since April 2015. TIBCO again asked Kaazing	
7		
8	23. In March 2016, Kaazing attempted to insert new language into an amendment to	
9	the SLA that would have Kaazing tendered a	
10	revised amendment to TIBCO for countersignature without telling TIBCO that Kaazing had	
11	inserted the new language prior to signing the amendment. It was only through TIBCO's careful	
12	review of the amendment prior to signing that TIBCO discovered the offending language, advised	
13	Kaazing that TIBCO had never agreed to such a revision, and compelled Kaazing to correct the	
14	language prior to signing.	
15	24. In April 2016, TIBCO learned that Kaazing planned to send a letter to TIBCO	
16	customers falsely stating that the customers could only get future releases for the Licensed Product	
17	from Kaazing. TIBCO immediately objected, noting that the statement was false and that, in any	
18	event, Kaazing could not use TIBCO customer confidential information for such communications.	
19	Kaazing assured TIBCO that it would not send the letter, but nevertheless published essentially the	
20	same content on its website.	
21	25. On a date unknown to TIBCO, Kaazing published a page on its website	
22	(https://kaazing.com/twm/) directed at "TIBCO Web Messaging Customer[s]." On the webpage,	
23	Kaazing stated that TIBCO Web Messaging would "cease to exist as a TIBCO branded product"	
24	and suggested that the only way to get future updates to the software would be to sign a contract	
25	with Kaazing to get them "directly from Kaazing." TIBCO did not discover this website content	
26	until November 27, 2016, and had no reason to believe prior to that date that Kaazing would	
27	publish such false and defamatory matter about TIBCO. Kaazing appears to have removed the	
28	webpage from public view on November 30, 2016, but only after TIBCO incurred attorney's fees	
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1	and TIBCO's outside counsel demanded the false information to be deleted or else TIBCO would
2	be forced to take legal action.
3	26. On or around November 22, 2016, Kaazing Chief Revenue Officer Simon Negus
4	emailed a major TIBCO client ("TIBCO Client") directly and represented to the client that TIBCO
5	"has chosen not (sic) have rights to license [the Licensed Product] from Kaazing" and that "Tibco
6	cannot provide [the Licensed Product] at 4.5.3 as part of their Enterprise Agreements." Further,
7	"in plain speech, if [the TIBCO Client] wants 4.5.3 (which it does) the only place it can get it is
8	through Kaazing."
9	27. This statement is false: as Amendment Number 13 to the SLA states
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12	SLA § 1 (emphasis added).
13	Kaazing is contractually obligated to
14	until the Agreement is terminated.
15	28. On November 23, 2016, Mr. Negus again emailed the TIBCO Client and stated that
16	TIBCO did not have the right to contract with the client for a perpetual license. He also went on
17	to claim that, starting December 1, 2016, the client's use of the software would be "unlicensed and
18	unsupported."
19	29. Again, these statements by Kaazing are false.
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23	. Kaazing's representations to the contrary are intended solely to convince TIBCO's End Users
24	to contract with Kaazing,
25	30. Further, Kaazing has failed to deliver to
26	despite its contractual obligation
27	SLA § 3(c). On November 30, 2016—again only after TIBCO's outside counsel wrote to
28	Kaazing and stated that TIBCO would take legal action—Kaazing finally delivered what it
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1	claimed were the latest versions of the Licensed Product. On information and belief, Kaazing's
2	delivery occurred well after they had been made available by Kaazing to Kaazing's customers.
3	31. Through its repeated actions of denying TIBCO the contractual rights to which
4	TIBCO is contractually entitled and unlawfully attempting to interfere with or steal, and/or
5	actually interfering with or stealing economic and contractual customer relationships from TIBCO
6	Kaazing has effectively
7	,
8	and is unfairly competing against TIBCO with respect to TIBCO's actual and prospective
9	customers.
10	32. Kaazing's actions and conduct as alleged herein have caused TIBCO irreparable
11	injury and harm for which TIBCO does not have an adequate remedy at law.
12	33. In addition, upon information and belief, TIBCO estimates that Kaazing's conduct
13	and actions as alleged herein have caused TIBCO damage and injury in an amount of no less than
14	\$10 million, including but not limited to Kaazing's ill-gotten gains and financial benefit from its
15	unlawful conduct.
16	FIRST CLAIM FOR RELIEF
17	(False Advertising under Lanham Act Section 43(a))
18	34. Plaintiff realleges and incorporates herein by reference each and every allegation
19	contained in paragraphs 1 through 33 above, as though set forth at length.
20	35. Kaazing's statements regarding TIBCO's ability to license and distribute TIBCO
21	Web Messaging were knowingly false. For example, Kaazing knows that its statement that
22	TIBCO's Web Messaging was unlicensed and unsupported is false, or Kaazing was in reckless
23	disregard for the falsity of its statement.
24	36. These false statements had a tendency to deceive a substantial segment of their
25	audience. Because Kaazing addressed the page "TIBCO Web Messaging" to every "TIBCO Web
26	Messaging Customer," TIBCO customers were likely to find this page and believe its statements
27	about the status of TIBCO Web Messaging because the message came from TIBCO's business
28	partner.

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1	the contract's provisions requiring
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4	45. Further, Kaazing's statements to TIBCO customers that TIBCO Web Messaging is
5	"unlicensed and unsupported"
6	, which will only stop if enjoined by this Court.
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8	46. Because of Kaazing's breach of its obligations under the SLA, TIBCO has been
9	deprived of benefits that would have accrued to it under the SLA. TIBCO has also incurred
10	substantial costs in customer goodwill due to Kaazing's delay. This has caused and continues to
11	cause substantial economic harm to TIBCO.
12	47. On information and belief, TIBCO has been damaged as a result of Defendant's
13	conduct in an amount to be proved at trial, but no less than \$10 million, including but not limited
14	to Kaazing's ill-gotten gains and financial benefit from its unlawful conduct.
15	48. Because Kaazing's breach involves its failure
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20	THIRD CLAIM FOR RELIEF
21	(Specific Performance)
22	49. TIBCO incorporates herein by reference each and every allegation contained in
23	paragraphs 1 through 48, above, as though fully set forth at length.
24	50. As set forth above, TIBCO and Kaazing entered into a valid and enforceable
25	agreement and thus have a contractual
26	relationship.
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1	51. TIBCO has fully honored and performed all conditions, covenants and promises
2	that it is required to perform under the SLA. Kaazing's obligations to perform are triggered under
3	the contract.
4	52. Despite its obligations under Section 2(d) of the SLA, Kaazing has repeatedly
5	failed, and upon information and belief has continued to fail
6	
7	Not only has Kaazing failed to adhere to Section 2(d) in the past, but it
8	has also threatened to breach Section 2(d) as a way to pressure TIBCO into acting according to
9	Kaazing's wishes. Kaazing has given no meaningful assurances that it will completely adhere to
10	Section 2(d) of the SLA in the future.
11	53. Kaazing's failure to honor its contractual obligation under Section 2(d) constitutes
12	a harm for which TIBCO has no adequate legal remedy. The contract
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17	For this reason, Kaazing's repeated failure to perform its obligations under
18	Section 2(d) cannot be adequately compensated by money damages.
19	54. Kaazing's breach of contract, and its ongoing refusal to meaningfully and
20	completely comply with its obligations will cause an irreparable harm if not addressed by a Court
21	order of specific performance and other forms of equitable relief. Moreover, an order of specific
22	performance will impose no harm on Kaazing as TIBCO seeks only to vindicate its rights under
23	the SLA.
24	55. Because Kaazing's breach involves its failure
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1 FOURTH CLAIM FOR RELIEF 2 (Breach of the Implied Covenant of Good Faith and Fair Dealing) 3 56. TIBCO incorporates herein by reference each and every allegation contained in paragraphs 1 through 55, above, as though fully set forth at length. 4 5 57. As set forth above, TIBCO and Kaazing entered into a valid and enforceable 6 agreement and thus have a contractual 7 relationship. 58. 8 Under California law, every contract, including the SLA, contains an implied duty 9 of good faith and fair dealing which requires among other things, that Kaazing refrain from any acts that would deprive TIBCO of the benefits of the SLA. 10 11 59. One of the benefits of the SLA is that it enables TIBCO 12 13 14 60. TIBCO fully honored the implied covenant and performed its obligations under the SLA. 15 16 61. However, Kaazing has breached the implied covenant and deprived TIBCO of the benefit of the SLA by, inter alia, 17 18 19 20 21 This conduct has frustrated TIBCO's ability to enjoy the benefits of its valid agreements with 22 Kaazing and caused harm to TIBCO's ability to 23 due to Kaazing's false statements. 62. As a direct and proximate cause of Kaazing's conduct, TIBCO has been damaged 24 25 in an amount to be proved at trial, as well as punitive damages and such other damages as 26 determined by the Court. 27 28 Case No. -11-

1 FIFTH CLAIM FOR RELIEF 2 (Intentional Interference with Prospective Economic Advantage) 3 63. Plaintiff realleges and incorporates herein by reference each and every allegation contained in paragraphs 1 through 62 above, as though set forth at length. 4 5 64. TIBCO has an economic relationship with the TIBCO Client, due to the parties' prior contract At the time of Kaazing's 6 actions, TIBCO and the TIBCO Client were in discussions to extend the terms of their contract 7 8 and there was a probability of future economic benefit to with respect to 9 TIBCO. 65. Defendant Kaazing knew of TIBCO's relationship with the TIBCO Client, 10 and Kaazing's execution of Amendment 11 Number Two to the SLA, 13 Kaazing's false statement to the TIBCO Client 14 was an intentional act designed to disrupt the TIBCO Client's relationship with TIBCO. Kaazing knows this statement is false and that the SLA 15 16 17 18 19 66. Kaazing's false statements were made with the intent to disrupt TIBCO's 20 relationship with the TIBCO Client and deprive TIBCO of economic benefits from that ongoing 21 business relationship. 22 67. Kaazing's false statements were independently wrongful because they violate state 23 and federal law, including but not limited to California contract law, the implied covenant of good faith and fair dealing, California's Unfair Competition Law, and trade libel law. 24 25 68. As the direct and proximate result of Kaazing's false statements, TIBCO's relationship with the TIBCO Client has been disrupted, as the TIBCO Client wrongly believed that 26 27 TIBCO did not have the legal right 28

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1	69. TIBCO has been damaged by Kaazing's intentional interference with the business
2	relationship between TIBCO and the TIBCO Client in an amount to be determined at trial, but
3	which upon information and belief is not less than \$10 million, including but not limited to
4	Kaazing's ill-gotten gains and financial benefit from its unlawful conduct.
5	SIXTH CLAIM FOR RELIEF
6	(Violation of Business and Professions Code Section 17200)
7	70. Plaintiff realleges and incorporates herein by reference each and every allegation
8	contained in paragraphs 1 through 69 above, as though set forth at length.
9	71. California's Business and Professions Code Section 17200 prohibits unlawful,
10	unfair, and fraudulent business practices.
11	72. TIBCO to Kaazing in the expectation that
12	Kaazing would
13	, and therefore has standing to seek relief under Section 17200.
14	73. Kaazing's actions are unlawful. For example, Kaazing's failure to
15	
16	constitutes an unlawful breach of its contractual obligations. Kaazing further committed unlawful
17	business practices by intentionally interfering with the contracts of TIBCO, intentionally
18	interfering in TIBCO's business relationships, and breaching Kaazing's duty to TIBCO of good
19	faith and fair dealing. Kaazing's unlawful acts have enabled it to compete unfairly with TIBCO,
20	causing economic injury.
21	74. Kaazing's actions are fraudulent: by way of example, Kaazing's publishing of an
22	open web page asserting that TIBCO no longer has a legal right to distribute the Licensed Product.
23	Such statements and actions are likely to have mislead and deceived California consumers and
24	TIBCO customers.
25	75. Kaazing's actions violate Chapter 1 of Part 3 of Division 7 of the Business and
26	Professions Code. As an example, Section 17500 prohibits "any firm, corporation or
27	association with intent directly or indirectly to perform services" from disseminating
28	statements that are "untrue or misleading" and that the entity knows to be untrue or misleading.

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1	82.	TIBCO has suffered injury in fact and has lost money as a result	of Kaazing's
2	knowingly fal	lse statements. TIBCO's damages from Kaazing's false statement	s are in an amount
3	to be determined at trial, but upon information and belief are no less than \$10 million, including		
4	but not limited to Kaazing's ill-gotten gains and financial benefit from its unlawful conduct.		
5		PRAYER FOR RELIEF	
6	WHE	REFORE, TIBCO prays for relief as follows:	
7	A.	For all damages to TIBCO arising from Kaazing's conduct, in an	amount of no less
8		than \$10 million, including but not limited to Kaazing's ill-gotte	n gains and
9		financial benefit from its unlawful conduct;	
10	В.	For a declaration of this Court that Kaazing's conduct is unlawfu	ıl;
11	C.	For a temporary restraining order and preliminary and permanen	t injunctions
12		ordering Kaazing to	
13			
14	D.	For a temporary restraining order and preliminary and permanen	t injunctions
15		ordering Kaazing to	
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19	E.	For a temporary restraining order and preliminary and permanen	t injunctions
20		preventing Kaazing from further interfering with TIBCO's prosp	ective economic
21		advantage;	
22	F.	For an order for specific performance of Kaazing's obligations u	nder the SLA;
23	G.	For an order requiring Kaazing to pay punitive damages in an an	nount to be
24		determined at trial;	
25	H.	For an order requiring Kaazing to disgorge all wrongfully obtain	ed profits as
26		restitution for its unlawful actions;	
27	I.	For an award of TIBCO's costs and reasonable attorney's fees in	curred in
28		connection with this action as well as TIBCO's previous demand	l to Kaazing to take
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1	down its webpage and growing the state of th
2	and
3	J. For such other and further relief as this Court deems just and proper.
4	DEMAND FOR JURY TRIAL
5	TIBCO hereby demands a trial by jury on all issues so triable.
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8	DATED: December 2, 2016 Respectfully submitted,
9	QUINN EMANUEL URQUHART & SULLIVAN, LLP
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12	By /s/ Claude M. Stern
13	Claude M. Stern Attorney for Plaintiff TIBCO Software Inc.
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